# CURRENCY REFORM IS URGED BY HOOVER

### Action by All Nations Needed —Sees No Hope With Unstable Germany.

WASHINGTON, Dec. 7.—Action by the banks of issue of the principal countries of the world looking toward currency reform has been suggested by Secretary Hoover, according to the monthly bulletin issued to-night by the Federal Reserve Board, which contains a letter from him to Sir Drummond Fraser of England, referring to the Termeulen plan.

Economic recovery of the States in eastern and southwestern Europe, the letter said, and consequently a considerable portion of American and world commerce, was dependent upon each State erecting a balance in taxation and expenditure, currency reorganization and stabilization, wise control of exports and imports and credits for reproductive purposes.

"It is hopeless," Mr. Hoover said, "to expect that private capital will extend credits for exports upon any systematic basis until the first three points have been complied with."

The Termeulen plan, he declared, should act as a great pressure to secure the three primary reforms.

"I have the feeling, however," he added, "that something more is needed than export credits to those countries if the three primary reforms are to be accomplished, i. e., some assistance must needs be found to these States in credit for purposes of currency reform.

"I believe also that until there can be brought about some financial stabilization in Germany all other European States will be adversely affected despite every effort implied in any of these ideas."

## PIG IRON IS SCARCE, FURNACES BLOWN IN

### Plans for Four Steel Mergers Are On.

Rapid reduction of the country's stocks of pig iron and an early hurried blowing in of some blast furnaces have resulted in the expansion the industry has experienced in the last several weeks. November's pig iron production, according to the *Iron Age*, was 1,415,481 tons, or 47,183 tons a day, compared with 1,246,676 tons, or 40,215 tons a day in October. Twenty-four additional furnaces were blown in in November, while none went out. The active capacity December 1 was 51,665 tons a day for 120 furnaces, against 40,850 tons for 96 furnaces on November 1.

"Except for the demand from the railroads, car builders and shops doing tank work," the *Iron Age* goes on, "the market is waiting for the impetus of January or possibly February. The steel corporation is still running at something above 50 per cent. Tin plate mills are particularly busy and their winter operations will be on a larger scale than in several years. Recently the leading producer took orders for 2,500,000 boxes for the Pacific coast, in view of which the 150,000 boxes the Welsh mills got at Vancouver scarcely indicate the recapture of the coast market by the British."

The *Iron Trade Review* says:

"Reports of various proposals to merge iron and steel properties now rampant in the industry are accepted as a logical outcome of the market and the competitive conditions that have prevailed for the last year or more. Apparently the only means of escape from a definite period of profitless operation is opened to some companies in this way. The localizing influence of excessive freight rates is one factor forcing serious consideration to possibilities of national distribution through scattered works. No less than three other negotiations toward consolidation of plants are under way."

The *Iron Trade Review's* weekly composite index of fourteen iron and steel products this week is $34.29, as against $34.71 all November, $35.46 all October and $23.29 in December, 1921.

## ST. PAUL TO MEET ALL OBLIGATIONS SOON DUE

### Hopes for Renewal of $25,345,000 Loan by U. S.

All the maturities and interest requirements of the Chicago, Milwaukee and St. Paul Railway up to and including February 1, 1922, have been provided for, R. J. Marony, vice-president in charge of the company's New York office, said yesterday. These requiremtnts, he said, included $3,750,000 in interest, due January 1; $1,550,000, principal and interest on Government equipment trust obligations, due January 15; and $875,000 interest, due February 1.

Mr. Marony said arrangements have been completed to pay off on December 15, one month before maturity, $1,096,000, the principal on the aforementioned Government equipment obligations.

Mr. Marony expressed confidence that the Interstate Commerce Commission will authorize the renewal of the St. Paul's Government loan of $25,345,000, which does not fall due until March 1, 1922.

## PERE MARQUETTE'S FIRST PREFERRED DIVIDEND

### 10 Per Cent. Ordered Paid by Railway Company.

The Pere Marquette Railway Company yesterday decided to initiate dividends on its 5 per cent. preferred stock. A disbursement of 10 per cent. in cash on this issue was authorized, payable January 3. At the same time its directors ordered that the regular quarterly dividend of 1¼ per cent. on its prior preference stock be paid February 1. At the close of the meeting the company authorized a statement, which said in part:

"The 10 per cent. dividend on the preferred stock is the first dividend declared upon that stock since the organization of the railway company in 1917. The dividends upon the preferred stock are cumulative at the rate of 5 per cent. per annum from January 1, 1919, so that on December 31, 1921, there will have accrued dividends to the amount of 15 per cent., of which there will remain 5 per cent. after payment of the above dividend.

"The company's claim against the Government has recently been settled."

### WOULD DROP FIVE LINES.

*Special Despatch to* THE NEW YORK HERALD.

LANSING, Dec. 7.—Petitions of the Pere Marquette asking that it be allowed to abandon five small branch lines in Michigan will be considered January 18 by the State Public Utilities Commission, sitting as a State body and as a representative of the Interstate Commerce Commission, it was announced today. The lines to be considered are from White Cloud to Big Rapids, Freeport to Elmdale, Leota to Harrison and Ionia to Lyons.

# EARNINGS OF ROADS IN OCTOBER 5.4 P. C.

### Best Month Since U. S. Gave Up Control—Strike Fear Swelled Loadings.

Reports of the earnings of the railroads for October, just file with the Interstate Commerce Commission, show an aggregate net operating income of $105,186,283, after operating expenses, taxes and joint facility rents, but before the deduction of the month's proportion of interest on bonded indebtedness. This represents a return at the rate of 5.4 per cent. annually on the country's aggregate railway property investment, and is the nearest approach the carriers have made to earning the 6 per cent. annual return contemplated in the transportation act. It makes October the best month in point of net railway operating income since the cessation of Government control on March 1, 1930.

The following summary for October, compiled by the Bureau of Railway Economics, is based on the reports of 199 railroads, operating 234,835 miles of line, and includes all class 1 railroads except the Detroit, Toledo and Ironton and the Kansas City Terminal companies:

| | Oct., 1921 | Oct., 1920. | P.C.of Dec. |
|---|---|---|---|
| Gross operating revenues | $535,135,126 | $641,666,522 | 16.6 |
| Exp. for upkeep of roadway & equipment | 184,480,060 | 230,920,680 | 20.1 |
| Total oper. exp. | 397,114,777 | 526,393,731 | 24.6 |
| Net oper. inc. | 105,186,283 | 86,392,373 | *21.8 |
| Rate earned—annual basis | 5.4% | 4.6% | .... |

*Increase.

In an official statement yesterday the Association of Railway Executives said in part:

"October is normally the heaviest traffic month of the year and should show the best net operating income. However, due to the threat of a railroad strike at the end of October the traffic for the second half of the month was far beyond normal. The average peak of traffic each year comes about October 10, and the week ended October 15 should show the largest car loadings of the year. This October, however, the largest car loadings were shown in the week ended October 22 and the week ended October 29. Immediately the strike threat was removed, in a single week car loadings fell off more than 122,000 and have since been declining with indications that November will hardly be 80 per cent. of that for October. The reduction of maintenance to the lowest standards consistent with safety has continued."

Earnings of the 199 railroads for the ten months ended October 31, 1921, follow:

| | 1921. (10 mos.) | 1920 (10 mos.) | P.C.of Dec |
|---|---|---|---|
| Gross oper. revenues | $4,671,312,231 | $5,081,366,228 | 8.1 |
| Main. of way and equip. | 1,708,570,458 | 2,181,562,408 | 21.7 |
| Total oper. expenses | 3,979,320,830 | 4,801,850,118 | 17.1 |
| Net operat'g income | 494,606,265 | *4,289,079 | ... |
| Rate earned—annual basis | 3.2% | ........... | .... |

*Deficit.

Ratio of expenses to operating revenues for October was 74.2 per cent.; in contrast to 82 per cent. for October, 1920, while the operating ratio for the ten months period was 85.2 per cent., against 94.5 per cent. for the corresponding period last year.

## RESERVE BANKS CHOOSE CLASS D DIRECTORS

### All Chairmen and Reserve Agents Reelected.

WASHINGTON, Dec. 7.—Election of Class C directors of the twelve Federal Reserve Banks for the term from January 1, 1922, to December 31, 1924, was announced to-day by the Federal Reserve Board.

These directors, who are required by law to be persons not connected with the banks, are: Boston, Allen Hollis, reelected; New York, Clarence Mott Woolley; Philadelphia, Charles C. Harrison, reelected; Cleveland, W. W. Knight of Toledo; Richmond, Frederic A. Delano, reelected; Atlanta, Lindsey Hopkins; Chicago, William A. Heath, reelected; St. Louis, W. McC. Martin, reelected; Minneapolis, Homer Clark of St. Paul; Kansas City, Herbert Hord of Central City, Ia.; Dallas, W. B. Newsome, reelected, and San Francisco, W. N. Moore.

All chairmen and Federal Reserve agents for the twelve banks were reelected for 1922.

## HOLDER ACTS TO HALT BURNS BROS. MERGER

### Seeks Injunction, Saying He Wants $120 a Share.

Joseph J. Schmidt, a holder of 219 shares of preferred stock of William Farrell & Son, the coal company that it is proposed to merge with the Burns Bros. Company, will begin proceedings in the Supreme Court to-morrow in an effort to prevent the consolidation, it was made known yesterday. William Farrell & Son, Inc., Thomas Farrell, William J. Shea and others are said to have been made defendants in the action. A temporary injunction will be asked for.

Mr. Schmidt, it was stated yesterday, voted against the plan at the recent stockholders' meeting when the merger plan was ratified. He contends that he should receive $120 a share for his preferred stock.

### HUERTA NOT COMING HERE.

**Abandons Trip—Any Loan Deal Will Be Long Distance Method.**

MEXICO CITY, Dec. 7 (Associated Press).—Adolfo de la Huerta, Secretary of the Treasury, has abandoned his proposed trip to New York, where it was reported he would seek a loan with American bakers, according to authoritative information received to-day.

Yielding to almost unanimous editorial protest against his journey to the United States, De la Huerta is understood to be in daily cable communication with New York bankers, and if a loan be floated or some other arrangement made in connection with Mexican finances it will be by the long distance method. The services of Manuel Gomez Morin, the Mexican financial agent in New York, would not be employed in connection with such negotiations.

### KRESGE STOCK IS INCREASED.

*Special Despatch to* THE NEW YORK HERALD.

DETROIT, Dec. 7.—Stockholders of S. S. Kresge & Co. voted yesterday to increase the preferred stock from $2,000,000 to $5,000,000. The company reported sales for November at $5,098,229, compared with $4,651,861 in November last year. Sales for the eleven months totalled $47,171,883, compared with $43,421,725 in the same period in 1920.

### OIL OUTPUT INCREASES.

The American Petroleum Institute estimates that the daily average gross crude oil production in the United States for the week ended on December 3 was 1,333,310 barrels, in contrast to 1,327,880 in the preceding week, an increase of 5,430.









### N. Y. CENTRAL ORDERS RAILS.

**Closes Contracts for 125,000 Tons With Option for 25,000 More.**

The New York Central Railroad Company has closed contracts for 125,000 tons of steel rails for delivery in 1922, with an option for an additional 25,000 tons.

Although allotments of the tonnage to various steel companies was not announced yesterday, the companies who are expected to participate in the fulfilment of the order include the Lackawanna, the Illinois, the Inland and possibly, the Cambria, steel companies.

### ASKS STATUS OF EMPLOYEES.

*Special Despatch to* THE NEW YORK HERALD.

DETROIT, Dec. 7.—The Detroit Trust Company as receiver for the Lincoln Motor Company has asked the Federal Court to rule on the status of the latter's employees, to whom pay is due for the period from November 1 to November 9, which antedates the appointment of the receiver.

### FINANCIAL NOTES.

The Chicago, Terre Haute and Southeastern Railway Company's depositing income bond holders have been notified by the First Trust Company that the railway company would pay its September 1, 1922, coupons 45 and 46 each for 1¼ per cent. The depositors waived interest represented by coupons 41 to 46 inclusive in interest of the company's finances, but the company finds it does not need all that amount of interest and expects to have sufficient funds to make partial payment.

A. Y. Cowen & Co. are offering a block of first mortgage 5 per cent. bonds of the Rio de Janeiro Tramway, Light and Power Company, dated 1905 and due in 1935, at 74½ to yield about 8.25 per cent. The bonds are an absolute first mortgage on all properties and rights of the company, which operates tramways, gas, electric light, power and telephone systems in the city and district of Rio de Janeiro.

### EXPORTS FROM NEW YORK.

Exports from New York yesterday: Wheat, 172,082 bu.; corn, 59,992 bu.; oats, 79,925 bu.; buckwheat, 7,190 bu.; flour, 26,918 sacks; pork, 101 bbls.; beef, 50 bbls.; bacon, 567,500 lbs.; lard, 1,003,556 lbs.; stearine, 6,000 lbs.; grease, 8,000 lbs.; cottonseed oil, 360,000 lbs.; lubricating oil, 556,050 gals.; grass seed, 460 bags.

### UNITED STATES TREASURY STATEMENT.

*Special Despatch to* THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., Dec. 7.

Revenue receipts and expenditures as at close of business December 5:

| Receipts ordinary: | This month. | Corresponding period last year. | *Fiscal year 1921. | Corresponding period fiscal year 1920. |
|---|---|---|---|---|
| Customs | $3,331,323 | $3,184,383 | $126,184,533 | $134,726,754 |
| Internal revenue: | | | | |
| Internal and profits tax | 2,653,736 | 4,131,879 | 719,006,126 | 96,166,413 |
| Miscellaneous | 39,606,825 | 15,871,720 | 621,619,248 | 663,271,562 |
| Miscellaneous revenue | 2,168,237 | 4,044,153 | 152,884,369 | 300,401,157 |
| Panama Canal tolls, &c. | 229,727 | 456,191 | 5,375,823 | 3,154,003 |
| Total ordinary | 50,989,850 | 27,687,727 | 1,625,160,106 | 2,063,217,608 |
| Excess of ordinary receipts over ordinary disbursements | 18,268,554 | ...... | 84,287,128 | ...... |
| Excess of ordinary disbursements over ordinary receipts | ...... | 15,437,216 | ...... | 82,346,578 |
| Total ordinary disbursements | 32,721,296 | 43,124,944 | 1,540,872,978 | 2,145,564,186 |

Balance to-day, $266,235,465.

*Receipts and disbursements for June reaching the Treasury in July are included.

### CUSTOM HOUSE RECEIPTS.

Receipts for duties at the Custom House yesterday were $614,765.04, of which $184,487.38 was for merchandise withdrawn from bonded warehouses and $430,827.66 for recent importations.